EXECUTIVE BRIEF

CIOM Response to the AtkinsRéalis Interim Report

Review of the Impact of Rising Construction Costs on Brownfield Regeneration

CIOM's position

The Island faces genuine construction-cost and brownfield-viability pressures, but policy should not be based on unsupported generalisations about the competence, productivity or quality of Manx contractors and tradespeople.

What CIOM supports

CIOM supports a credible, funded multi-year project pipeline; faster and more consistent planning and public-sector decisions to increase delivery; targeted intervention where abnormal brownfield costs undermine viability; proportionate financial assessment; and investment in skills, apprenticeships and specialist capacity for the Manx construction sector.

Where the interim report needs stronger evidence

The interim report does not disclose the stakeholder sample, the balance between local and off-Island participants, the method used to test competing views, or the project data used to verify claims. The final report should distinguish verified evidence and quantitative analysis from stakeholder perception and consultant interpretation.

Direct employee numbers are not a measure of capability; modern projects are delivered through managed specialist subcontract packages by Tier 1 and Tier 2 contractors alike.

Subcontracting is the prevailing industry model, not evidence of weakness or fragmentation.

Domestic trade skills transfer to commercial and public-sector work; larger projects may require stronger coordination and specialist input, not a different underlying workforce.

Claims that UK tradespeople are more productive or that UK contractors deliver better quality require like-for-like productivity data, defect records and verified project outcomes.

A fair assessment of Island capability

Capability should be judged through relevant experience, key personnel, financial standing and annualised exposure, management systems, supply-chain access, performance on comparable work and capacity at the proposed delivery date. A structured review of completed Manx projects is essential before defining the upper limit of the local market.

Build competition and capacity—do not create dependency

Procurement, pipeline and value: a consistent pipeline lowers cost

A reliable programme of funded, approved and realistically deliverable work allows firms to retain people, invest in training and systems, plan their supply chains and compete with confidence. With that consistency, the Island construction sector can return to its previous competitive market, reducing overall costs for Government and private investors.

The Tier 1/Tier 2 premium does not guarantee value

Key risk.

Trying to attract a Tier 1 or Tier 2 Contractor—an approach already unsuccessful on the largest capital scheme undertaken on the Isle of Man—leads to an estimated 7–10% cost premium without demonstrated added value to Government or the Island construction sector.

That premium eats into public funds and reduces the number of capital schemes Government can deliver, further weakening the capacity of Island resources and risk leaving Government beholden to a single principal contractor and/or off-Island provision. Large-scale packaging may also reduce competition, exclude capable Manx firms, transfer profit and management fees off-Island and weaken the local principal-contractor market over time.

Preferred procurement approach

Government should publish and commit to a coordinated programme while procuring individual projects or appropriately sized packages. Options should be tested transparently against whole-life cost, competition, resilience, payment performance, local economic retention and long-term market development—not simply initial delivery scale.

Priority actions

- Publish the stakeholder methodology and correct or qualify unsupported claims about local productivity, quality and skill transferability.
- Complete an evidence-based capability review of local contractors, consultants and completed Manx projects.
- Publish a funded, realistic multi-year pipeline with likely procurement dates, values and delivery models.
- Avoid automatic aggregation into oversized contracts; use proportionate financial criteria based on annualised exposure and actual risk.
- Where an external principal contractor is used, contract for measurable local spend, transparent subcontracting, prompt payment, fair risk allocation, training and knowledge transfer.
- Improve planning, project approval, design completeness, procurement timescales, certification and payment practices.

Conclusion.

The Government strategy should build the capacity of the Island's established industry to secure our self-sufficiency, supplement it with genuinely specialist off-Island expertise where required, and use public procurement to support competition, skills, investment and long-term economic resilience.